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President: Mr. ZIARAN (Islamic Republic of Iran)
(Vice-President)

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The meeting was called to order at 3.10 p.m.

SPECIAL PROGRAMMES OF ASSISTANCE (continued)

(a) ROLE OF UNDP IN THE IMPLEMENTATION OF THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s (continued) (DP/1993/17)

1. Mr. GATHUNGU (Observer for Kenya) acknowledged the efforts undertaken by UNDP, through the donor community, to confront the many problems facing the African countries and to help bring about political change.

2. As stated in the report of the Administrator (DP/1993/17), economic performance in Africa had been poor. He thanked the Secretary-General for his efforts to underscore the importance of the New Agenda for the Development of Africa (NADAF), and UNDP for its work in the area of National Long-Term Perspective Studies (NLTPS) and the African Capacity-Building Initiative (ACBI). His delegation agreed with the representative of India that the most ultimate goal of cooperation between the international community and the African countries should be to give African people the ability to solve their own problems; it also agreed with the representative of Switzerland that data collection should be done in the countries themselves.

3. Mr. DODSON (United States) said his delegation commended UNDP's emphasis on institution building and African participation in the design and implementation of development programmes and applauded its work to foster democratization. Given the limited financial and management resources his delegation hoped that UNDP would focus on a few priorities at the country level in order to achieve the greatest amount of impact. Those priorities should be based on local circumstances, local commitment and donor coordination. UNDP should begin modestly, initiating perspective studies only in those countries where local commitment was high and the prospects for success were greatest.

4. Mr. LAOUARI (Algeria) said that African countries needed the dynamic support of the international community and United Nations organizations if they were to succeed in implementing new strategies and policies to improve their economies. National capacity had to be increased in order to help countries become more autonomous in development management. Support of economic reforms and structural adjustment programmes and implementation of specific measures to alleviate social costs were a priority concern.

5. The cooperation of the developed countries and United Nations organizations was needed to combat drought and desertification in Africa. His delegation urged UNDP to provide technical support to the process of drafting a future United Nations convention in that area.

6. Activities to combat and contain the AIDS epidemic were crucial to promoting human development, however, they should not overshadow the need to reinforce similar programmes to combat other equally devastating epidemics.

(Mr. Laouari, Algeria)

7. It was hoped that the restructuring of the UNDP secretariat and the ensuing staff reductions would not negatively affect programme implementation. Current UNDP programmes in Africa should benefit from past experience so that they would better identify bottlenecks and shortages in implementing projects and ensure effective application of the New Agenda.

8. His delegation supported UNDP development activities in least developed countries and the programme of assistance to the Palestinian people and hoped that the latter would not be hindered as a result of the political situation in that region.

9. Ms. KNUTSON (Canada) said that her Government welcomed UNDP's support for good governance and democratization as well as its support for regional integration in Africa. While competing in global markets was a worthy goal, the collaborative measures that bound countries in a region needed to be expanded.

10. Mr. DJUMALA (Indonesia) said that his delegation supported UNDP assistance for Africa and saw encouraging progress in the NADAF programme. The continuing critical economic situation in Africa was attributable to factors such as the crippling debt burden, depressed commodity prices and inadequate financial resources for economic growth, as well as natural disasters such as drought and desertification. It was therefore essential that UNDP give assistance in human resources development as well as technological know-how.

11. Mr. MWAUNGULU (Observer for Malawi) said that his Government strongly supported UNDP resource mobilization efforts. The precipitous decline in UNDP resources and the projected 25 per cent cut in the funding of country programmes, were of particular concern. Phased implementation of country programmes would be preferable to reductions in programme contents.

12. At the field level, his Government urged UNDP to make even more determined efforts to recruit qualified local consultants and conduct more focused and skilled development training. The United Nations system and the donor community had provided active technical cooperation for democratic reforms in his country.

13. Mr. KONAN (Côte d'Ivoire) said that UNDP's support for NADAF was crucial. NADAF brought together the commitments of African countries and those of the developed countries to work together for success. UNDP was already actively engaged in implementing the objectives identified by the African countries themselves concerning, in particular, the improvement of their economies, the strengthening of capacities, rational management of the environment and regional integration, including support for the democratic process. That support was provided within the framework of the regular IPF programme. It was hoped that further assistance would be provided by the developed countries, either bilaterally or multilaterally. Areas of support included the reduction of debt increase of resource flows, increase of investment and improvement of markets and prices for the main export commodities. In addition to providing humanitarian assistance and meeting immediate needs, it was necessary to lay the foundations for a long-term and more dynamic strategy for Africa.

(Mr. Konan, Côte d'Ivoire)

14. The International Conference on African Development would provide an opportunity to specify needs and encourage more sustained and productive cooperation.

15. Mr. MOHAMED (Sudan) said that the Administrator had noted in his statement that there were hundreds of thousands of hungry and sick people and refugees in Africa; yet, Africa had enormous natural resources and reserves of water and arable land that made it a very important continent in the modern world. His delegation had participated in field visits to two African countries with members of the Council. It could be seen in any African country that there were immense mineral, water and agricultural resources that were undeveloped. If those resources were properly used, thousands of people could be fed. The Sudan had four different climates; it had vast areas of arable land, only a small part of which had been cultivated; there were 10 major rivers and other water resources.

16. UNDP had an important role to play in the development of the African continent. His delegation supported NADAF and welcomed the steps that were being taken to develop Africa's resources and help the continent become independent and self-sufficient.

17. Mr. AFONSO (Observer for Angola) said that his delegation encouraged UNDP in its efforts to strengthen the capacities of African countries and hoped that it would redouble its efforts to develop human resources and promote the democratization of African countries and regional integration so as to facilitate the development of Africa as a whole.

18. In September 1992, the first free and fair elections have been held in Angola; they have been made possible through assistance from UNDP and other donors. It was hoped that in the new era of peace, the second phase of elections would be carried out, with the support of UNDP, so that Angola would be a democratic country.

19. Mrs. JOHNSON SIRLEAF (Assistant Administrator and Director, Regional Bureau for Africa) noted with appreciation that several delegations had endorsed the Bureau's idea of the principle of shared responsibility; she also noted the suggestions made by many delegations concerning support for Africa through a sustained level of resources, and expressed particular appreciation for the commitment made by the European Community for an ECU 100 million facility to support Africa.

20. Capacity-building was a key component of UNDP's work; she had taken note of the suggestions made by delegations regarding the National Long-term Perspective Studies (NLTPS); the experience and status to date were outlined in paragraphs 7 to 8 of document DP/1993/17. The purpose of NLTPS was to reinforce other activities in capacity-building. She noted the comments made by the United States delegation regarding the need to focus on a few countries and to try to achieve quick results that could then be replicated.

21. She also noted the suggestions made by the United Kingdom and the European Community regarding the need to reinforce the progress that had been made in many countries as they moved towards market-oriented systems; the suggestion regarding food security would be discussed with the African countries concerned.

(Mrs. Johnson Sirleaf)

22. She was pleased that many delegations had endorsed the Bureau's focus on HIV/AIDS and said that it would be trying to raise the levels of consciousness and of support for programmes to address that truly serious problem for African development.

23. She welcomed the support expressed for the Bureau's restructuring efforts and staffing arrangements. In response to the representative of Sweden, she noted that economics and the environment were both issues that were increasingly being integrated into UNDP's design and implementation of programmes.

24. In response to the comment made by the representative of Switzerland on the issue of data collection, she noted that UNDP carried out data collection for the development cooperation report, which was a vital management tool for Governments and the international community. In order to ease the burden on local embassies and representation, the Bureau was seeking ways of streamlining the process, in close cooperation with the Organization for Economic Cooperation and Development (OECD) and through NATCAP processes.

25. She welcomed participation by Council members in field visits and encouraged them to continue that activity since it was the only way the Bureau could demonstrate its success and identify new approaches.

(b) MATTERS RELATING TO THE LEAST DEVELOPED COUNTRIES (DP/1993/18)

26. Mr. LOUP (Coordinator of Assistance to the Least Developed Countries), introducing the report on the least developed countries (DP/1993/18), said that instead of trying to cover all UNDP activities in such countries, the report sought to present two particular priority aspects in more detail: aid coordination and economic management, and human development.

27. The figures given in the report made it clear that UNDP's core resources had been increasingly concentrated on the least developed countries. Over the last 20 years, the share of the IPF going to such countries had almost doubled. At the same time, the resources of the Special Measures Fund for the Least Developed Countries had virtually dried up, although the Second United Nations Conference on Least Developed Countries and the Council itself had underlined the importance of the Fund.

28. The report described UNDP's activities to strengthen the capacity of such countries in the area of aid coordination and economic management, including round tables and NATCAPs. Steps had been taken to streamline the methodologies of the round tables and NATCAPs, and the main challenge now was to integrate the two instruments, as well as other UNDP activities in that area in a comprehensive approach. Round tables and NATCAPs were still seen by many field offices as isolated instruments rather than integral parts of a coherent approach.

29. Human development was a major priority in those countries, given the particular state of deprivation of their population. The presentation in the report had been limited to two particular aspects: UNDP's cooperation with non-governmental organizations and its activities in favour of women in development. The report made it clear that different approaches had been tried in an effort to tailor the activities to the needs of the populations.

30. Mr. KONG Fannong (Director, Technical Cooperation Policy Division, Department of Development Support and Management Services) said that the new Department of Development Support and Management Services (DDSMS) had been actively engaged in a wide range of activities and, by the end of 1992, the activities had been extended to all least developed countries. Since 1990, increasing emphasis had been placed on strengthening the coordinating machinery of Governments in their efforts to implement the Programme of Action for the Least Developed Countries for the 1990s. In 1992, the Department's technical cooperation activities in the least developed countries had reached a record high of 483 projects, with a total expenditure of $59 million. The Department had been able to respond to a large number of requests from such countries for numerous advisory and other technical missions. It had also reinforced its efforts in promoting and encouraging pre-investment, thereby raising the overall level of investment from both foreign and domestic sources. Attention had been directed to the need to strengthen managerial capabilities required to rationalize the use of national resources, particularly in the Department's programme in development administration.

31. In the public administration sector, the Department had undertaken a number of fact-finding missions to assess the capability of Governments in organizing elections and to provide advice. Those missions had resulted in the formulation and execution of technical cooperation programmes in seven countries to strengthen the capacity of national electoral commissions, organize international observer missions and provide assistance in the various aspects of the organization and conduct of national elections. Another major activity of the Department was enhancing the financial management capabilities of the least developed countries; recently, with extensive bilateral support, the Department had initiated an important project to harmonize and simplify the accountability requirement which donors placed on host countries.

32. In the sector of development planning and policy, 38 per cent of the interregional advisory and other technical missions had been undertaken for the least developed countries. In addition, 26 such countries in Africa had benefited from the Department's technical assistance projects in the broad areas of development planning, macroeconomic management and monitoring and subnational planning, and others outside Africa had also received assistance.

33. Activities in the development of natural resources and energy had concentrated on resource planning and management and on the strengthening of national capabilities to identify, develop and manage natural resources as a primary component of economic and social progress, taking into account the need for the sustainable utilization of resources, with particular emphasis on the promotion and application of new technologies for resource conservation. Technical cooperation activities in the minerals sector had concentrated primarily on strengthening institutions and human resources with a view to developing mineral resources for increasing foreign earnings and fostering industrial and technological development.

34. The Department also recognized the need to incorporate the concerns and experience of women in the development programmes of the least developed countries. Two regional workshops in Africa and Asia, respectively, had addressed the need to involve women more directly in water supply and sanitation programmes, and another international meeting had dealt with the role of women

(Mr. Kong Fannong)

in sustainable development. Participants from such countries had been present at those meetings.

35. Many similarities existed between the United Nations Programme of Action for the Least Developed Countries for the 1990s and the NADAF in which the Department was also involved. The United Nations was co-organizer of the international conference on African development to be held in October 1993 in Tokyo and was responsible for coordinating all United Nations system inputs including UNDP's.

36. Mr. HUSAIN (Observer for Bangladesh) said that the 47 least developed countries were facing daunting economic challenges. In pursuance of the Programme of Action for the least developed countries for the 1990s, they had initiated economic reforms with a view to improving efficiency in the mobilization and use of resources, scaling down unprofitable public enterprises and providing greater opportunities for the private sector and a market economy. That reform process could only be sustained, however, with international support; unfortunately, that support had not yet materialized.

37. Strengthening the management and institutional capacities of the least developed countries was critical for the development process. Over the years, their technical assistance requirements had become more diversified and urgent and their members had increased. In that context, his delegation had welcomed the Council's decision to allocate 55 per cent of programme resources to such countries during the fifth programming cycle. His delegation once again called on donors to reconsider their decision and to resume contributions to the Special Measures Fund for the Least Developed Countries (SMF/LDC) which had received no support from donors since 1990.

38. It was essential to strengthen the capacity of the least developed countries in aid coordination and economic management, especially in the context of the increased diversity and complexity of technical assistance programmes. UNDP had made a positive contribution in that area and also in that of human development. It was to be hoped that UNDP would also extend assistance in the environmental field as a part of the follow-up to Agenda 21. UNDP's efforts should also be directed towards increasing the number of trained local personnel who could replace expatriates in the management and implementation of programmes.

39. His delegation welcomed the relocation of the post of Coordinator of Assistance to the Least Developed Countries to the Bureau for Programme Policy and Evaluation, and hoped that that move would lead to better coordination and the mainstreaming of UNDP activities in all such countries.

40. Mr. BISTA (Observer for Nepal) said his delegation shared the view expressed in paragraph 2 of the report (DP/1993/18) that efforts to implement the Programme of Action for the Least Developed Countries should be looked at in the context of the overall situation of the least developed countries. The decline in the gross domestic product coupled with the huge external indebtedness of the LDCs was further depressing those countries.

(Mr. Bista, Observer, Nepal)

41. His delegation agreed that UNDP and all aid organizations must strengthen their efforts in favour of the least developed countries. However, merely increasing the proportion of UNDP core resources devoted to them would not suffice; it was equally important to increase the effectiveness of those resources. UNDP's activities with respect to different aspects of aid coordination and economic management were carried out in isolation from each other and had thus failed to achieve full effectiveness.

42. His delegation appealed to the donor community to increase its efforts to preserve the Special Measures Fund for the Least Developed Countries and to ensure that all programmes already approved for such countries were able to continue.

43. Mr. HORIGUCHI (Japan) said that his delegation fully supported UNDP in recognizing the areas of aid coordination and economic management and of human development as priority activities. In order to make maximum use of limited available resources, donors must coordinate their aid through the United Nations system and help recipient Governments establish policy coordination systems.

44. In shaping policies to promote the development of the least developed countries in the 1990s, the following points should be borne in mind. It would be useful to come to an international agreement on such areas as general targets, priorities and policies to assist the self-help efforts of the countries concerned, based on appropriate review of the experience of the 1980s as well as the wishes of the Governments. Such an international agreement would be helpful to Governments in formulating their development programmes and targets. If targets and policies became irrelevant in view of the actual situation no meaningful guidelines could be established. Development strategy for the 1990s should be realistic enough to serve as a guide for future activities. It was also important that each country make steady efforts to attain the targets by establishing priorities among various needs based on serious assessment of their situations.

45. His Government was determined to continue to make every effort to achieve the targets established in the Programme of Action in cooperation with the Governments, other donor countries and international organizations, including UNDP.

46. Mr. ROHNER (Observer for Switzerland) said that the Administrator's report had referred to a number of sources of finance for the least developed countries in addition to the national IPFs; mention should also be made of the regional IPFs, cost-sharing, United Nations Volunteers and what he hoped would be the growing volume of TCDC promoted by UNDP.

47. The report's references to strengthening the management capacities of the least developed countries were somewhat brief and descriptive; future reports on the subject should provide a more analytical overview of UNDP's performance in that area. The same was true with respect to the references to NATCAPs and round tables. Although progress had no doubt been made in both areas, some questions remained. In addition to further information on the issue of internalization, his delegation would be interested to learn how the conclusions of the study on rethinking technical cooperation in Africa might be applied to

(Mr. Rohner, Observer, Switzerland)

the ongoing NATCAP processes. With respect to the round tables, his delegation felt that more work was needed on the follow-up to round-table meetings at the local level. It would also like to know how many round tables were being planned for 1993 and how many least developed countries had requested UNDP support in formulating a human development strategy.

48. Mr. JANHA (Gambia) said that his country continued to benefit from UNDP assistance in aid coordination, which had enabled it to better integrate the entire aid process with its own efforts. The programme approach to development had also made it much easier to align donor priorities with those of the Government, while keeping in mind that alignment was a two-way process. In connection with national capacity-building, he asked whether the African Capacity-Building Foundation in Harare was now fully operational. He supported the approach to human development outlined in the Administrator's report, which was particularly useful for countries endeavouring to work out a poverty alleviation programme.

49. Mr. YAO Wenlong (China) said that UNDP should continue to help the least developed countries strengthen their national capacities in development and economic management, including their capacity to coordinate and manage international assistance. Its activities in recent years in sponsoring round tables and carrying out evaluation and programme preparation with respect to national technical cooperation also seemed to have been quite fruitful. His delegation appealed to the international community to increase its efforts to assist the least developed countries.

50. Mr. MOKOTJO (Lesotho) welcomed the recognition by UNDP that review of ongoing efforts to increase the effectiveness of its aid was of paramount importance. The recently completed review of the round-table procedures and guidelines for enhancing the effectiveness of round-table consultations had been a welcome development, and his delegation hoped that the close working relationship between UNDP and national authorities enjoyed during the review process would be continued during the implementation of the revised guidelines.

51. His delegation welcomed relocation of the post of Coordinator of Assistance to the Least Developed Countries to the Bureau for Programme Policy and Evaluation and was pleased to note that UNDP would continue to pay particular attention to aid coordination and economic management in the least developed countries, for his Government continued to attach great importance to those activities and maintained a close working relationship with representatives of UNDP and the other United Nations agencies and also with donor countries and the NGO community. Moreover, human and institutional capacity-building was one of the main areas of concentration of Lesotho's fifth country programme.

52. Lesotho was committed to the principle of equal opportunity for both men and women and placed a high priority on human resources development. The Government and people of Lesotho appreciated the generous assistance they had received from UNDP. If UNDP was to maintain current levels of assistance, it must receive substantially increased financial contributions; he therefore appealed to donors to do their best to meet that need.

53. Mr. BORJA DE MOZOTA (France) said that his country supported UNDP assistance to the least developed countries and intended to continue to support financially and participate actively in both the NATCAP and round-table exercises. It hoped that the funds which had been blocked by the Administrator would be unblocked in 1994, so as to help maintain the level of aid to those countries.

54. Mrs. VARSISHT (India) associated herself with the statements made by the preceding speakers. The situation in the least developed countries continued to be depressing, and it seemed to her that UNDP's assistance to those countries could be improved in many respects. Specifically, in the area of human development UNDP should make an effort to maintain a somewhat lower profile in carrying out its activities and to give more credit to Governments rather than to non-governmental organizations. In general, UNDP's efforts should be directed more towards increasing cooperation with the recipient Governments than enhancing the status of international organizations and donor countries.

55. Mr. LOUP (Coordinator of Assistance to the Least Developed Countries), responding to questions and comments from representatives, assured the representative of Bangladesh that UNDP shared his views on the need to provide assistance in the environmental area; it was also aware of the need to improve the integration of its various programmes and was determined to continue to make progress towards that goal in future years. In general, the administration agreed that there was a need to improve the development instruments and was making a continuous effort to do so. He thanked the Japanese and French representatives for their expressions of support for the NATCAP and round-table exercises; that support was especially valuable in view of the growing need for financing of those programmes. Replying to the representative of Switzerland, he said he believed that three round tables were planned for 1993 and about 20 countries had requested assistance in the area of human development. With respect to the conclusions to be drawn from the study on rethinking technical cooperation in Africa, he would point out that some of the study's conclusions had been drawn from UNDP's work; beyond that, the study as a whole would of course be given serious consideration and UNDP intended to implement some of its recommendations in the future. With respect to the Indian representative's comments, he said he would like to wait for the forthcoming discussion of the question of human development before commenting in more detail on the subject, but would assure her that UNDP had no intention of favouring the NGOs over Governments. Replying to the Gambian representative's question, he said that the African Capacity-Building Foundation was now fully operational and had begun to finance activities in various African countries.

OTHER FUNDS AND PROGRAMMES

(b) UNITED NATIONS CAPITAL DEVELOPMENT FUND (DP/1993/42)

56. Mr. FRIPPIAT (Executive Secretary, United Nations Capital Development Fund (UNCDF)), introducing the report of the Administrator (DP/1993/42), said that UNCDF was facing a difficult financial situation and, as it embarked on its most ambitious ever programme, its resources were barely higher in real terms than they had been in 1985. It had therefore been compelled to focus on specific geographical areas in order to make the best possible use of scarce resources through interaction between relatively small-scale projects. The areas had been chosen on the basis of a comparative needs assessment and according to their

(Mr. Frippiat)

ability to benefit in socio-economic terms from the Fund's investments, which were mainly in rural infrastructure and water supply projects. The Fund would continue to place emphasis on operations of that kind, together with credit programmes to enable small businessmen to exploit the economic opportunities available and the establishment of local development funds under the control of local authorities. Resource constraints had meant that such programmes could not be carried out in all eligible countries and close cooperation between UNCDF, UNDP and other donors had been vital in ensuring proper implementation of the programmes.

57. The Fund's efforts to encourage grass-roots participation were beginning to bear fruit. The aim was to involve local populations and institutions as far as possible in the formulation and management of their programmes. As a growing number of the countries in which the Fund was active took their first steps towards democratization, particularly in Africa, central authorities were increasingly supportive of the grass-roots approach. The resulting sense of local "ownership" and the improved management undoubtedly enhanced a project's prospects of achieving long-term sustainability, and the approach would continue to be pursued.

58. UNCDF had long been aware of the link between poverty and environmental degradation, particularly the damage caused in rural areas by population growth and inappropriate farming methods. The Fund would strive to reverse that trend by placing still greater emphasis on the environmental impact of its programmes and projects. Thanks to a gift from the Norwegian Government, UNCDF staff had been trained in environmental impact assessment. In addition, an eco-development study had been undertaken, drawing on the Fund's experience in environmentally fragile regions such as the Sahel. The findings had been incorporated in the Fund's programming procedures and could make a contribution to the international convention to combat desertification.

59. Turning to the question of resources, he noted that project expenditures in 1992 had reached a record level of almost $60 million. Accumulated resources, which had been a subject of donor concern, had fallen by approximately 11 per cent. General expenditure, including administrative costs, technical support, field implementation and agency costs, had been reduced from 20 per cent in 1991 to 17 per cent. It was hoped that those trends would continue.

60. On the negative side, however, contributions had fallen by 22 per cent, from a record level of $43 million in 1991 to $34 million in 1993. That decline, together with a high rate of project approvals, had compelled the Fund to reduce the scale of its operations by one third compared to 1991. If contributions continued to decline, implementation of the new projects, valued at $200 million, still awaiting funding could be delayed or jeopardized.

61. At a time when the increasing trend towards democratization and decentralization was creating opportunities for action, it would be regrettable if the Fund was unable to seize those opportunities for want of adequate resources. While recognizing that donor countries were in the grip of economic recession and faced other equally legitimate calls on their resources, he stressed that combating poverty was the key to dealing with other problems and

(Mr. Frippiat)

that UNCDF was the only multilateral body mandated to focus essentially on the poorest populations in the the poorest countries.

62. He appealed to Governments to increase their contributions and support so that the Fund could use its modest resources to nourish and strengthen local institutions and enable them to take over the programmes and projects it financed. According to the Human Development Report 1993, less than 10 per cent of total public expenditure in the developing countries was administered by local representatives, compared to 25 per cent in the developed countries. The international community had a duty to help develop the necessary structures to enable progress to be made in that vital sector. However, unless renewed and vigorous support was forthcoming, he was concerned that the Fund would slide into gradual decline and marginalization. He was sure that the Governing Council had no wish to see that occur and hoped that its decision on the Fund would provide enlightened guidance which would serve the vital interests of those who benefited from its assistance.

63. Ms. POLLACK (United States of America) said that her delegation was pleased to note that UNCDF had taken great care in the previous two years in selecting projects for loans, and endorsed the Administrator's proposal that the Council should authorize the continuation of the loan facility.

64. She noted that UNCDF had undertaken 26 evaluation missions during the 1991-1992 biennium and welcomed the fact that the results of previous missions had been incorporated into the design and formulation of new projects. However, the lack of pre-project baseline data was a continuing weakness affecting the Fund's ability to assess projects accurately. The report of the Administrator (DP/1993/42) had not paid sufficient attention to the problem and she would welcome any information the Executive Director could provide on the matter.

65. The Fund's approach in combining small-scale grant investments with long-term sustainable development activities was highly commendable and represented a sound and principled approach to development which should be encouraged on a wider scale. She urged UNCDF to continue to provide vision and leadership, but stressed that, if other donors were to replicate its pilot schemes, the availability of baseline data was again crucial in order to assess long-term viability and efforts should be made to ensure that such data was collected at the earliest possible stage.

66. She welcomed the proposal to concentrate on area-based approaches which, despite the inevitable constraints, would make it possible to develop programmes that would have the greatest impact on those most in need. Finally, she suggested that field visits, which had enhanced the Council's general ability to provide guidance to UNDP, should in future include a review of UNCDF projects wherever possible.

67. Mr. BROUWERS (Netherlands) said that his country had long been a supporter of UNCDF and intended to continue its strong support for the Fund in the years to come.

68. In 1991 his delegation had endorsed the Governing Council decision to integrate UNCDF into the Bureau for Programme, Policy and Evaluation with mixed feelings, on the understanding that its identity and autonomy would be

(Mr. Brouwers, Netherlands)

preserved. Having seen its decision-making and administrative authority reduced, the Fund had now also lost its financial unit. Any further erosion of its autonomy would be highly regrettable and everything should be done to ensure that it continued to function independently.

69. Market reforms, political reforms and democratization in many least developed countries were providing opportunities to involve the poorest sections of society in development activities and his delegation fully supported the Fund's efforts to renew and extend its policy and programmes in the field of infrastructure and public sector investments, credit facilities and community-based social and environmental activities.

70. The Fund's resources were derived largely from voluntary contributions by a small number of Western donors and economic recession and the rising number of countries designated as least developed had made its financial situation difficult. Imaginative fund-raising activities were therefore needed in order to attract new donors and put an end to financial instability.

71. Mr. URBAIN (Belgium) said that the difficulties experienced by the major financial institutions in effectively targeting the poorest sections of the population, together with the fact that their loans policies were ill-suited to the needs of small-scale operations, meant that thorough consideration should be given to the programme approach proposed by UNCDF, with its emphasis on local authorities, village communities and small businessmen.

72. Unfortunately, despite the broad international consensus on the importance of the Fund's role, the sharp decline in contributions meant that its resources were not commensurate with the scale of its planned activities. Nevertheless, the institution was increasingly focusing its efforts on promoting small-scale investments to low-income groups in the poorest countries and deserve special consideration from the donor community.

73. Close cooperation between UNCDF and UNDP could work to the benefit of the latter by complementing its investments aimed at improving public sector management capacity in the least developed countries, as well as making a positive contribution to the poverty reduction component of UNDP programmes.

74. Mr. KABIR (Observer for Bangladesh) said that widespread poverty in the least developed countries was a great impediment to development and the efforts of UNCDF to design innovative and viable projects aimed at increasing the productivity and income of the poor was highly commendable. However, the Fund's ability to meet its objectives depended largely on its resource base. Although it had been agreed, at the second United Nations Conference on the Least Developed Countries, that contributions should increase by 20 per cent annually, regrettably in 1993 they had declined by 13 per cent compared to 1991. At the same time, the number of countries eligible for UNCDF assistance had risen to 53.

75. His delegation had been dismayed to learn from the report that projects valued at over $150 million from 14 planning and project identification missions had been kept in the pipeline and that the Fund's total volume of operations had been reduced by one third compared to 1991. He welcomed the fact that 26 evaluation missions had been carried out, helping to identify weaknesses in

(Mr. Kabir, Observer, Bangladesh)

UNCDF activities. It was vital to learn lessons from those missions and put them into practice. In that connection, he felt that the proposal for area-based approaches deserved some consideration.

76. Ms. JACOBSEN (Norway), speaking on behalf of the Nordic countries, said that UNCDF played a unique and important role by providing small-scale investment to the lowest-income groups in the poorest countries. Its activities often had a catalytic effect and were complementary to UNDP technical assistance. The Nordic countries had always strongly supported the Fund and therefore regretted that the pledges for 1993 fell well short of the recommended 20 per cent annual increase.

77. Evaluations had shown that most UNCDF projects were achieving their objectives, but had also stressed the need for the Fund to utilize existing institutional capacity, with the emphasis on complementarity and cooperation. Cooperation with other organizations within the same region was also important for obtaining the reliable baseline data needed to make evaluations more effective.

78. When designing projects, it was very important to take into account future expenses on maintenance and upkeep, particularly in the case of non-income-generating projects and loan operations. The Nordic countries endorsed the Administrator's request that the Council should authorize continuation of the loan facility, and welcomed the Fund's efforts to curtail administrative costs. They had noted with interest the new strategy for the 1990s and looked forward to further discussion of the question, particularly the proposal for an area-based approach.

The meeting rose at 6.10 p.m.